

Members Present:

Lung Chiu (*Chairman*)
Jim Rockett (*Vice Chair*)
Cindy Corum (*Committee Member*)
Nancy Handweg (*Committee Member*)
Marge Herzog (*Committee Member*)

Members Absent:

None

Others Attending:

Councilman Ryan Liang (*Town Councilman - FAAC Liaison*)
Frank Spence, Town Manager
Members of the Public

1. **Opening:** Town Manager Frank Spence called the meeting to order at 6:04 pm
2. **Roll Call** was taken and all members were present
3. **Approval of Agenda** – Motion made by Mrs. Herzog and seconded by Ms. Corum. Motion carried.

4. Appointment of Committee Chair

First order of business was to elect a new Chairperson and Vice Chairperson as Chair Elise Ryan resigned at the previous meeting.

Committee Member Cindy Corum had a protocol question. She asked if Vice Chair Lung Chui automatically moved into the Chair position or if nominations were in order.

Town Manager, Frank Spence informed the Committee they needed to nominate.

Ms. Corum then nominated Vice Chair Lung Chui to the Chair position, seconded by Jim Rockett.

Motion passed unanimously

5. Appointment of Vice Chair

Mr. Spence then called for nominations for Vice Chair. Committee Member Nancy Handweg nominated Committee Member Marge Herzog for the Vice Chair position.

Mr. Spence asked if there were any other nominations.

Ms. Corum nominated Committee Member Jim Rockett. She stated that although he was a new committee member, she knew he was a certified accountant and felt that he was best qualified.

Mr. Spence took the vote and Mr. Rockett was appointed Vice Chair with a vote of 4-1, with Mrs. Handweg dissenting.

Mr. Rockett then gave a brief synopsis of his financial background. He stated that he had over 30 years accounting experience in the private sector and is a Certified Management Accountant.

6. RFP 2009-006 for Town Audit Services

- a. The Committee was in agreement that the 27 page RFP was too long. Town Manager, Frank Spence commented that he had never seen a more detailed RFP for auditor. However, in the interest of time, it was decided to use the existing RFP with the Committee's various recommended edits and changes.
- b. Ms. Corum mentioned the wording for the public bid opening needed to be changed from 'at or before' to a time certain.
- c. Discussion then centered on the length of the contract. Chairman Chiu recommended a 3 year contract with two (optional) subsequent one year renewals. The Committee agreed.
- d. Ms. Corum mentioned the FL Statute cited twice in the document was incorrect and should be changed to 219.394. Mrs. Handweg noted a few other typos.
- e. Chairman Chiu questioned the necessity of item number 4 dealing with the financial report of the Town filed with the Department of Banking. He asked that Finance Director, Holly Hugdahl check into this paragraph and possibly delete it.
- f. Chairman Chiu suggested changing the auditor's annual government training seminar from 8 to 16 hours.
- g. It was suggested to add wording clarifying that the Town may add more Special Revenue Funds in future.
- h. Mrs. Herzog noted that the population of Loxahatchee Groves listed as 1450 on page 7 was incorrect and should be revised to approximately 3400.
- i. Town Manager, Frank Spence said the net budget figure for fiscal year 2009 should be corrected to read \$2,039,000.
- j. Date for issuance of RFP was changed to October 22, 2009 to expedite the process, with November 2, 2009 as the deadline for responses.
- k. November 5, 2009 was designated as the date for the Committee to review and short list the audit responses. (This was later changed to 11/12/2009)
- l. Chairman Chiu offered to provide management with a list of email addresses of experienced CPA firms which the Palm Beach County School Board has compiled. In this way, these firms could receive the Town's audit RFP via email.
- m. Town Manager advised that FAAC's recommendation was an important one that carried a lot of weight and reminded the committee that the rules state price could not be the primary consideration.
- n. The timeline was discussed and it was decided that the 2009 audit would be due by February 28, 2010 because of the lateness in hiring the new auditor. Subsequent year audits would be due by January 31st.
- o. Chairman Chiu recommended adding wording to the RFP to ensure full disclosure if the audit firm, it's principals, management or staff were involved in any ongoing litigation and/or regulatory investigation.
- p. Chairman Chiu said the RFP should call for identifying the engagement partners assigned to our Town's audit.
- q. Mr. Spence asked if a Committee member would volunteer to do the FAAC meeting minutes as Town Clerk, Michelle (Kantor) was overburdened. Committee member Cindy Corum volunteered.

7. Setting of next meeting date and time

The next FAAC meeting was set for November 5th for review of Audit proposals and short listing, with November 12th for possible applicant presentations if it was deemed necessary.

8. New Business

(None discussed)

9. Public Comment

Committee member, Cindy Corum thanked resident Doreen Baxter for all her hard work on editing the auditor RFP. She commented Ms. Baxter had gone over the document with a "fine-toothed comb".

Elise Ryan was also recognized by Chairman Chiu for her contributions to the document.

Chairman Chiu thanked Vice Mayor Lipp and Councilman Jarriel for attending.

Councilman Jarriel thanked the Committee for helping to make the Council's job easier and expressed his appreciation of the Committee's diligence.

A motion to adjourn was made by Chairman Chiu and the meeting ended at 8:30pm.

ATTEST:

Cindy L. Corum
Cindy Lou Corum

Lung Chiu, Chair, FAAC

1-13-10
Date Approved